

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
COUNTY OF NEWPORT**

APPROVED 4/12/10

The Town Council of the Town of Tiverton, County and State aforesaid held a Special Town Council Meeting at the Tiverton Town Hall, 343 Highland Road on Monday, the 5th day of April 2010 at 7:00 p.m.

President Bollin opened the meeting with the Pledge of Allegiance to the flag.

MEMBERS PRESENT:

President Bollin, Vice President Arruda, Councilor Costa, Councilor Durfee, Councilor Lambert, Councilor Leonard and Councilor Roderick

Town Administrator James Goncalo and Town Clerk Nancy L. Mello were also present.
All Council Members Waived Notice

Discussion and Vote on 2010/11 Proposed Budget

Administrator Goncalo (T/A) passed out updated information on the 2010/11 proposed budget. Exhibit II R had an updated figure for the Fire Dept. heat, account #331-610 of \$25,000. The original packet the amount was \$2,500. The second item in this handout was a draft copy of the Budget Committee (BC) docket municipal summary sheet with a T/A figure for the current municipal budget for \$17,344,979. This figure should be adjusted by subtracting \$63,000 of capital expenses which would reduce the "over Budget Committee" down to \$251,907. The third item, dated 5-Apr-10, the 2010/11 proposed budget, incorporated the changes. The grand total – municipal- \$17,344,979 less the capital expenses would be \$17,281,979 and be over by \$251,907. This is the total municipal budget the Town Administrator recommends.

Councilor Lambert questioned where that would put the Town as far as the cap. The last page of the handout, the levy summary worksheet dated 4/5/2010, indicated a projected levy of 9.24% increase, which included the school dept. In the packet that was distributed there were two other summary sheets. The T/A proposed budget is a 3.29% increase over the current year. Councilor Roderick questioned if this was combined with the school. T/A Goncalo took the school budget from the sheet the School Committee passed out at last week's meeting. The school budget of \$21,285,285 comes in at 4.5%. The school numbers do not include state aid. The projected levy of 9.24% is 4.5% above the cap. Councilor Durfee questioned the T/A as to whether the 1.174 million of possible motor vehicle tax should be added to the revenue.

Tax Assessor, David Robert, noted because of the uncertainty with the motor vehicle (MV) tax, not sure if the Council wants to put that in revenue, it's outside of property taxes. The MV is based on the total valuation of MV. Councilor Durfee noted the only way this would help the Town if it were excluded from the cap. Councilor Roderick questioned the T/A about the budget recommended by the BC and where that proposed budget would put the Town. T/A Goncalo replied the BC budget was \$28,000 below the cap. Councilor Roderick noted the number the Town was requesting was different than the number voted on by the BC, how could the two be reconciled specifically on the school side? T/A Goncalo was not asking for anything to be approved from the school side. Councilor Roderick noted the Council needed to take that into consideration. T/A Goncalo noted the S/D indicated they would come in at 4.5%.

Councilor Durfee noted in the last two years the Town has lost 2 million in revenue, very difficult to make up even with substantial cuts, clearly the Council wants to get the number as low as possible. T/A Goncalo the municipal budget had unusual increases, substantial increases in benefits, increase in debt service and capital purchases. Jeff Caron, BC Chairman, in response to Councilor Roderick's comment, passed out a Budget Committee- Chairman's Worksheet- 5 April 10 with municipal expenditures of \$17,030,072 a 1.78% increase. Chair Caron met at length with the Town Solicitor, Andy Teitz, who recommended using the numbers for the School operations aid from the RI Dept. of Education website. The \$5,285,220, which included state aid and federal aid, was footnoted in the BC docket.

Councilor Lambert noted the cap is 4.5%, reluctantly supports the T/A proposed budget, and realizes how it affects the Town. Going back to 2001/2002 excluding the MV and inventory tax the total budget was 17,524,98. Now it's over \$30 million, talking about a 180% increase over 10 years. Realistically how can this continue year after year? Can't 9.4%. have to live within the revenues we have received. The BC has gone over carefully, if had to choose would go with the BC, which is their job to present a budget.

Councilor Durfee pointed out the T/A budget came in at 3.7%, under the 4.5% cap. The funds cut for the League of Cities and Towns does not make sense, advocates for the Town. Some of the B/C suggested cuts are not in the best interest of the people. Councilor Lambert noted the people couldn't keep up with these increases. Councilor Durfee suggested a serious look at the hardship ordinance.

Council President Bollin noted, in response to a question, the schools have to be given enough to fund basic education programs. The number at the FTM was for local appropriations. The local appropriation can't be less than last year. The Council is talking about the municipal side of the budget, which has it's own issues trying to move the Town forward. Councilor Durfee asked the Assessor what would be the effect if the Town received those additional monies for the motor vehicle exempted amount. If exempt from the cap, the effect would be big; roughly the rate would fall to \$14.65 on real estate. One resident was concerned about the flooding impact on State revenues. Will see increased shortfalls upstate, add the Pay As You Throw, an additional burden, asked the Council to support the BC recommendation. Agrees the Visiting Nurse should be funded, have a State EDC and asking the state senators and representatives to work to non-binding arbitration.

T/A Goncalo noted the Chamber of Commerce is funding a website and possibly brochures for local EDCs. Met with the Newport County Chamber of Commerce and will be approved for an \$86,000 grant for planning of the Industrial Park, the hopeful future of businesses. Don't see how we can throw this away, other cuts were in contract violations and as indicated at the last meeting four fire fighter paramedics training amount due in the amount of \$20,000. Have gone through the BC recommendations.

Councilor Lambert wanted to know which budget the Council was voting on, the school budget is \$21,285,285, based on a representation, which may or may not be true. President Bollin noted the Council was voting on the municipal budget only. Councilor Lambert wanted to make clear he was in no way voting on a total budget, tends to side with the BC in giving the school budget just \$1 more.

Councilor Durfee made a motion the Council approves the proposed revised budget of \$17,281,979. Councilor Leonard seconded the motion for discussion.

Budget Chair, Jeff Caron, noted, with approval from the Budget Committee authorized him to put this proposed budget in the requested column on the docket, side by side with the proposed budget from the Budget Committee. Years ago there was a resolve that was removed that said salary accounts were not transferable. There is flexibility to move funds with the Council's approval. In the process the Budget Committee saw fit to get under the cap. President Bollin noted this flexibility got the Town through the last two years as long as that resolve doesn't get put back in. Councilor Roderick reminded everyone, strictly talking about the municipal side, on giving approval.

Resident Deb Pallasch asked the T/A where the \$63,000 reduction in non-recurring was coming from. The T/A reduced the amount request for Senior Center roof repair to \$6,000, police radios to zero, Community Center roof repair to \$6,000. A local contractor told the T/A he would repair the roof all the Town had to do was buy the materials. The revaluation request was reduced to \$75,000. Ms. Pallasch also wanted clarification about the 4.5% levy cap amount as opposed to the increase expense percentage. Feels if talking about a potential waiver, taxpayers need to know.

Councilor Durfee suggests the Council request of the Department of Administration what the Town would be eligible for in exceeding the cap, with the uncertainty of the motor vehicle phase out money or ability to tax in place of the loss. FTM voters need to know how much the Town would be eligible to attain maximum levy. Not approving excess levy, just finding facts.

Rob Coulter, Vice-Chair of the Budget Committee supported the proposed Budget Committee budget. Unless there is a change in revenue assumptions, the BC has level funded the school budget, want to make that clear. T/A Goncalo used the BC revenue numbers. According to Mr. Coulter if you support the T/A proposed budget, you support breaking the cap.

Councilor Costa moved the question. Council unanimously agreed. Motion passed unanimously to forward revised budget to Budget Committee.

Chairman Caron took issue with Councilor Durfee regarding remarks about the waiver being requested after the FTM, and then needing a 4/5ths vote of the Council. Important the Budget Chair, the Treasurer and the Administrator go together. Councilor Durfee did not think one led to the other, the Town would have to go to find out what it is eligible for, agrees with Mr. Caron it's important the taxpayers need to know. That does not mean the Town does not have a cap. Defined by eligibility need certification from the State.

Chairman Caron noted it was very important to note the Budget Committee was under the cap. The official budget to propose on the docket is the Budget Committee's budget. President Bollin noted if there were a request for a waiver or for the information on amount eligible to waive, it would be done at a regular Council meeting. Requested Clerk place on next meeting. Chair Caron asked that the Budget Committee have a seat at the table when that occurs. Durfee noted it would probably happen by a letter. President Bollin noted the Administrator will not do without a vote of the Council, should be a meeting between the Budget Committee chair, the Treasurer and the Administrator.

ADJOURNMENT:

Councilor Costa made a motion, seconded by Councilor Leonard to adjourn the Special Meeting. Motion passed unanimously.

Meeting adjourned at approximately 8:30 p.m.

A True Copy.

ATTEST: _____ Nancy L. Mello, Town Clerk